

1 HIGHLY CONFIDENTIAL

2 UNITED STATES DISTRICT COURT

3 FOR THE EASTERN DISTRICT OF VIRGINIA

4 ALEXANDRIA DIVISION

5 -----

6 UNITED STATES OF AMERICA, et al.,

7 Plaintiff,

8 vs. Case No.  
9 1:23-cv-00108-LMB-JFA

GOOGLE, LLC,

10 Defendant.

11 -----

12 \*\*HIGHLY CONFIDENTIAL \*\*

13

14 REMOTE VIDEOTAPED DEPOSITION OF

15 KEN BLOM

16

17

18

19 Tuesday, August 29, 2023

20 12:37 p.m. (EDT)

21

22

23 Reported by:

24 Joan Ferrara, RMR, FCRR

25 Job No. 2023-908869

1                   K. BLOM - HIGHLY CONFIDENTIAL

2                   Q         And do you understand that the  
3 information you provide during this  
4 deposition may be used by the Department of  
5 Justice in other civil, criminal,  
6 administrative or regulatory cases or  
7 proceedings?

8                   A         Yes.

9                   Q         Right. And do you have any  
10 other questions as we get started?

11                  A         No. Let's do it.

12                  Q         All right. So to begin -- to  
13 begin, could you state your name?

14                  A         Yeah. Kenneth Blom.

15                  Q         Okay. And what do you do for  
16 work?

17                  A         I work in advertising. I am the  
18 EVP of strategy and operations at BuzzFeed,  
19 Inc.

20                  Q         Okay. And where were you born  
21 and raised?

22                  A         Rochelle Park, New Jersey --  
23 born and raised in Rochelle Park, New  
24 Jersey. I was born in Meadowlands  
25 Hospital, if it's relevant.

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2 Q And can you walk me through your  
3 education background?

4 A Yeah. BA in business -- so,  
5 sorry. Grammar school, high school, went  
6 to Bergen Catholic High School in New  
7 Jersey, went to Moravian College in  
8 Bethlehem, Pennsylvania and graduated with  
9 a business degree there.

10 Q And when did you graduate --  
11 graduate college?

12 A 2007.

13 Q All right. And you're currently  
14 employed at BuzzFeed?

15 A Correct.

16 Q When did you start there?

17 A 2012. 2012.

18 Q And so before you started at  
19 BuzzFeed, where did you work?

20 A I worked at an ad agency called  
21 "Reprise Media." They're into paid search.

22 Q And so how long were you at  
23 Reprise?

24 A Three to four years.

25 Q Okay. And, basically, an

10

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2 advertising agency?

3 A Correct.

4 Q And when you were at Reprise,  
5 could you describe your role? It looks  
6 like you were focused on social and search?

7 A Yeah. I started as marketing  
8 coordinator, worked on paid search  
9 advertising campaigns. That was early  
10 days, social, and so cut my teeth on  
11 everything, you know, Facebook and Facebook  
12 ads, you know, as it was happening.

13 Q And as part of that role, did  
14 you also do display advertising?

15 A It was not in my sort of sphere,  
16 but I was next to agencies that were doing  
17 it.

18 So you had an agency that would  
19 do display, an agency that would do paid  
20 search, and then potentially social. I was  
21 on the paid search team, but I worked  
22 counterpart with the display team.

23 Q So it sounds like as you were  
24 working counterpart, you were still  
25 working --

11

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2 A Yeah.

3 Q -- in display advertising?

4 A We were -- we were an agency,  
5 and our client was buying both media  
6 tactics from us. So we spoke quite  
7 frequently. I just had to focus on the  
8 discipline of search and social.

9 Q Got it.

10 And so then can you talk to me  
11 about your transition from Reprise to  
12 BuzzFeed in -- around 2012?

13 A Yeah, around 2012, I had -- my  
14 boss and two people I worked with at  
15 Reprise go over to BuzzFeed, and they  
16 eventually hired me after about a year.

17 And their remit was to sort of  
18 figure out, you know, how do you make  
19 content go viral, how can you get more ad  
20 impressions for advertisers?

21 At the time, BuzzFeed, in 2012,  
22 was a small website trying to do a lot of  
23 things. It was very tech lab and  
24 innovation. And myself and two other  
25 people were brought on to sort of figure

12

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2 out the advertising component of it.

3 Q Okay. And so when you were  
4 brought on, what was your title at that  
5 point?

6 A Gosh. So we called the team  
7 "social discovery." Social discovery was  
8 exactly what I was describing before, which  
9 is how do you sort of get more eyeballs to  
10 the content that we were creating? But I  
11 think I was an associate director.

12 Q Perhaps it sounds like a quiz,  
13 but can you walk me through your evolution  
14 at BuzzFeed, the different roles?

15 A Yeah, sure.

16 So started on this social  
17 discovery team. I was on that team for --  
18 and, also, sort of still oversee that team  
19 today, but the evolution of it was focusing  
20 on this one part of the business, which is  
21 how do you get more eyeballs to content and  
22 how do you fill advertising campaigns?

23 Eventually grew that to the O&O  
24 parts of our website, so a traditional ad  
25 operations that publishers have, I took

13

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2 that under myself and I had ad ops and  
3 social discovery, which was sort of  
4 thinking about the own and operated as well  
5 as the social aspect of all things how to  
6 run an ad campaign.

7 That's the bulk of about like  
8 six or seven years there. And then over  
9 time took on more responsibilities, which  
10 would include business development, our  
11 creator's team, our creative branded  
12 content teams, which these are all things  
13 that I oversee today, and then anything  
14 operationally led.

15 So as it relates to the business  
16 for BuzzFeed Inc., everything sits under  
17 myself, with the exception of our direct  
18 sales team.

19 Q Okay. And so what's your  
20 involvement with the direct sales team?

21 A It's like inextricably linked.  
22 They are our partners. My team is building  
23 things for them to sell and executing  
24 things that they sell.

25 Q We might get into that later --

14

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2 A Yeah, sure.

3 Q -- your involvement there.

4 And so in your current role in  
5 business operations, are you involved in  
6 BuzzFeed's revenue as well?

7 A Very much so.

8 Q What would you say your role is  
9 regarding BuzzFeed's revenue stream?

10 A 99 percent, yeah.

11 Q Okay. 99 percent meaning that  
12 99 percent of your job is focused on  
13 building revenue, is that correct?

14 A Correct, correct.

15 Q So at a high level, tell me  
16 about BuzzFeed's business.

17 A Yeah. So the business of  
18 BuzzFeed, Inc. -- you want to go today or  
19 history or --

20 Q Well, let's do the history.

21 I'll learn a little bit about BuzzFeed.

22 A Okay. Sure.

23 So as I mentioned, 2012, we were  
24 a website, but also focusing on social  
25 media and focusing on the virality of

17

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2 introduced programmatic advertising and

3 delivering display ads on BuzzFeed.com.

4 Fast forward a few more years,

5 we've purchased HuffPost, and we're not

6 just doing what we're doing for BuzzFeed,

7 Inc. and Tasty, we're also doing it for

8 HuffPost.

9 And then similarly, a year  
10 later, you're doing it with Complex. We  
11 became a public company. And everything  
12 under this sphere is making ad revenue on  
13 IP that we develop, ad space that we can  
14 sell, or services that clients would buy  
15 into, like an event or an experience.

16 Q And so how important is that ad  
17 revenue to BuzzFeed?

18 A Very important. Yeah, very  
19 important.

20 Q So when you're looking at  
21 BuzzFeed's revenue, what percentage of its  
22 revenue is from selling its inventory to  
23 advertisers?

24 MR. JUSTUS: Objection. Form.

25 BY MR. GOLD:

18

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2 Q What percentage of BuzzFeed's  
3 revenue is from advertisements?

4 A Can you clarify where?

5 Q Throughout all of BuzzFeed's  
6 different publishers. I know you mentioned  
7 a couple of different types. You mentioned  
8 Tasty, BuzzFeed.com.

9 A Yeah. I think it would be --

10 MR. JUSTUS: Sorry, sorry, and  
11 if you can, just give me a beat so I  
12 can object.

13 So objection. Form.

14 Go ahead.

15 BY MR. GOLD:

16 Q You can answer the question.

17 I can ask you again as well, if  
18 it will help you.

19 A Sure. Can you ask it again?

20 Q Sure.

21 What percentage of BuzzFeed's  
22 revenue is from advertising?

23 A I'd say --

24 MR. JUSTUS: Same objection.

25 Go ahead.

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2 A [REDACTED] percent.

3 Q Okay. And what's the other  
4 percentage of BuzzFeed's revenue from?

5 A Branded content.

6 Q Okay. And what does branded  
7 content mean?

8 A So, to clarify, when you say  
9 "advertising" and I answered, advertising  
10 is selling space for inventory that we've  
11 created.

12 Branded content is making  
13 content with an advertiser. It will also  
14 sell space for inventory created, but we  
15 make the content.

16 For advertising, the advertiser  
17 is just going to place their ad.

18 Q So what would an example of  
19 branded content look like for BuzzFeed?

20 A Yeah, it would look something  
21 like we've made a Tasty video for an  
22 advertiser for -- the advertiser is  
23 McCormick, and we're going to include their  
24 spices, we're going to make the video,  
25 distribute the video and the advertiser is

22

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2 A No, not at the moment.

3 Q Do you regularly work anywhere  
4 else?

5 A New York often.

6 Q Okay. So going back to talk  
7 about BuzzFeed's advertising, with display  
8 advertising, I'm curious to know more about  
9 what types of display advertising BuzzFeed  
10 is involved in.

11 MR. JUSTUS: Objection. Form.

12 BY MR. GOLD:

13 Q So is BuzzFeed involved in open  
14 auction display advertising?

15 A Yes.

16 MR. JUSTUS: Same objection.

17 BY MR. GOLD:

18 Q Is BuzzFeed involved in  
19 programmatic advertising?

20 A Yes.

21 Q And I know earlier you said it,  
22 but BuzzFeed is involved in direct sale  
23 advertising?

24 A Correct.

25 MR. JUSTUS: Objection. Form.

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2 BY MR. GOLD:

3 Q BuzzFeed is also involved in

4 YouTube and streaming advertisement?

5 MR. JUSTUS: Objection. Form.

6 A Uh-huh.

7 Q Audio?

8 A Yes, we are, very little.

9 Q What percentage of BuzzFeed's  
10 revenue comes from Google AdTech?

11 MR. JUSTUS: Objection. Form.

12 A Yeah, I would have to look, but  
13 it's -- yeah, I don't know off the top of  
14 my head.

15 Q Do you have like a ballpark  
16 guess?

17 MR. JUSTUS: Objection. Form.

18 A Close -- close to █ percent.

19 Q And that's close to █ percent  
20 of BuzzFeed's revenue comes from Google  
21 AdTech?

22 A Not revenue. It just depends on  
23 how you define "advertising revenue," so --

24 Q I'll follow your definition if  
25 you want to tell me how you best define it.

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2 A Yeah. If I were to define it as  
3 display advertising revenue from Google, █  
4 to █ percent.

5 Q Okay. So I'll shift gears to  
6 talk about publisher ad servers.

7 Is that okay?

8 A Sure.

9 MR. JUSTUS: I'm sorry, I should  
10 have -- I meant to object to the form  
11 of the prior question, but go ahead.

12 MR. GOLD: Okay.

13 BY MR. GOLD:

14 Q So some people abbreviate it as  
15 "PAS."

16 Could you tell me what a  
17 publisher ad service is?

18 A Yeah. So publisher ad server,  
19 like Google, would be helping us deliver --  
20 you know, if the publisher is the supply  
21 side, Google is the ad tech and the  
22 infrastructure, or this publisher or ad  
23 server is the ad tech and the  
24 infrastructure that helps you deliver those  
25 ads.

25

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2 Q Okay. And I think you hinted at  
3 the answer to my next question there, but  
4 for display, what publisher ad server does  
5 BuzzFeed use?

6 A Use Google.

7 MR. JUSTUS: Objection. Form.

8 BY MR. GOLD:

9 Q I think you said, "Use google"?

10 A Correct.

11 Q Is there a specific, like,  
12 software within Google that you use,  
13 maybe --

14 A Google Ad Manager.

15 Q All right. Google Ad Manager.

16 MR. JUSTUS: Objection. Form.

17 Again, sorry -- and, sorry, can  
18 I just pause for a second?

19 So it would be helpful,

20 Mr. Blom, if you could just pause for  
21 a second to allow me to object.

22 THE WITNESS: Sure.

23 BY MR. GOLD:

24 Q So Google Ad Manager, also  
25 referred to as "GAM," or "DFP," is that

26

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2 right?

3 A Correct.

4 Q Okay. Why does BuzzFeed use  
5 Google Ad Manager?

6 A Ease of use. When I think about  
7 ease of use, I think about training people  
8 who have used the service before, and many  
9 have used GAM or DFP.

10 And then I think about tools and  
11 services that come along with it. They've  
12 spent a lot of time doing this for,  
13 obviously, a lot of other publishers and  
14 built out a lot of features.

15 Q What are those other tools and  
16 features?

17 A Just interface or forecasting  
18 tools, anything that helps our ad  
19 operations team deliver ads.

20 Q Got it.

21 Have you ever considered having  
22 BuzzFeed build its own publisher ad server  
23 and using that instead of Google Ad Manager  
24 or DFP?

25 MR. JUSTUS: Objection. Form.

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2 into each of those different points that

3 you just flagged.

4 So in regards to cost, can you  
5 expand on that?

6 A Yes. So ad serving fees are a  
7 consideration when you're looking at your  
8 ad server. And so, you know, did they  
9 offer a better rate?

10 Q Okay. And it sounds like you've  
11 compared GAM's rates to other providers'  
12 rates, is that right?

13 A Only one, and it was many years  
14 ago.

15 Q And, I'm curious, what was that  
16 one, and when was that analyzed?

17 A Smart AdServer.

18 Q And when did you guys look at  
19 Smart?

20 A I don't remember.

21 Q Was it three years ago, within  
22 the last three years?

23 A Four plus.

24 Q Four-plus years ago?

25 So since looking at it then, you

33

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2 haven't looked at alternatives to GAM

3 since, is that right?

4 A Correct.

5 Q Do you remember how Smart's  
6 costs compared to Google's cost -- Google  
7 Ad Manager's costs?

8 A We never put them head to  
9 head --

10 Q Okay.

11 A -- but Smart was offering  
12 cheaper than Google. But we did not get  
13 that far down an actual analysis.

14 Q I know you didn't get to an  
15 analysis.

16 Do you remember how cheaper  
17 Smart's was?

18 A No.

19 Q Okay. And then you mentioned  
20 other complexities. You talked about  
21 demand issues.

22 I understand your points today  
23 about the demand impacts in creating your  
24 own publisher ad server, but can you talk  
25 about the worries with switching to another

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2 Like how much training would be  
3 required to switch ad servers?

4 MR. ARTEAGA: Objection. Form.

5 A Unclear. It's just how -- you  
6 know, how do people adopt things? Where  
7 does a widget live within this tool versus  
8 that tool? You know, that there would be  
9 troubleshooting, let's just say six months.

10 Q Okay. I'm going to shift to  
11 talk about AdX.

12 Are you familiar with AdX?

13 A Yes, I am.

14 Q Okay. Could you explain AdX to  
15 us and your familiarity with it?

16 A Yeah. AdX is Google's  
17 advertising demand, and we leverage it as a  
18 source of demand.

19 Q Okay. How would you describe  
20 that to a layperson who is not familiar  
21 with the ad tech space?

22 A If you wanted to buy advertising  
23 and you logged into Google and, you know,  
24 went through their sort of channels, that  
25 is the system at which you can buy

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2 advertising via Google.

3 I would describe it to somebody  
4 as like if you log into Facebook and buy  
5 advertising there, you're buying Facebook's  
6 advertising product. This is Google's.

7 Q That makes sense.

8 Does BuzzFeed use AdX?

9 A Yes.

10 Q What percentage of BuzzFeed's  
11 programmatic revenue comes from AdX?

12 MR. JUSTUS: Objection. Form.

13 A Around █ to █ percent.

14 Q And how about display revenue?

15 MR. JUSTUS: Objection. Form.

16 A I view that the same as  
17 programmatic.

18 Q What percentage of BuzzFeed's  
19 programmatic display revenue comes from  
20 AdX?

21 A █ to █ percent.

22 MR. JUSTUS: Objection. Form.

23 BY MR. GOLD:

24 Q Could you repeat that answer? I  
25 think you were talking at the same time as

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2 Mr. Justus.

3 A █ to █ percent.

4 Q Okay. And how does that compare  
5 to the next largest exchange?

6 MR. JUSTUS: Objection. Form.

7 A Much larger.

8 Q Could you give a ballpark?

9 A Probably three to four times the  
10 next largest partner.

11 Q Okay. So I'm thinking, you  
12 know, do math on the spot, you know, 40 to  
13 50 divided by 3, right, so that would be  
14 like -- would you say like 10 to 15 percent  
15 is the next largest exchange for BuzzFeed?

16 A Yeah.

17 MR. JUSTUS: Objection. Form.

18 BY MR. GOLD:

19 Q Okay. How unique or not unique  
20 is AdX's demand?

21 MR. JUSTUS: Objection. Form.

22 A I would say it's unique.

23 Q What makes it unique?

24 A Google is a large advertiser,  
25 right? They have a lot of small businesses

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2 that may be buying through AdX versus some  
3 of the other partners that we leverage  
4 maybe for larger ad budgets or larger  
5 spenders.

6 Q What would happen to BuzzFeed if  
7 BuzzFeed lost AdX's demand?

8 MR. JUSTUS: Objection. Form.

9 A I would be speculating. We  
10 would have to be finding new sources of  
11 demand and working with new partners and  
12 trying to grow those partners.

13 Q What would that process look  
14 like?

15 MR. JUSTUS: Objection. Form.

16 A We would -- we would probably  
17 work with our next largest partners to sort  
18 of figure out how much more inventory that  
19 they can fill knowing we would have more  
20 inventory for them.

21 Q Would they be able to do that?

22 A Potentially.

23 MR. JUSTUS: Objection. Form.

24 BY MR. GOLD:

25 Q Do you think that Google's AdX

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2 THE VIDEOGRAPHER: The time is  
3 1:26 p.m., and we're back on the  
4 record.

5 BY MR. GOLD:

6 Q All right. So you've talked  
7 about costs. So I want to shift the  
8 conversation to ask you about take rate.

9 Are you familiar with the term  
10 "take rate"?

11 A Yes.

12 Q Can you tell me what take rate  
13 is?

14 A What is the net proceeds to the  
15 publisher after all cost for advertising.

16 Q So would a high take rate be  
17 good or bad for BuzzFeed as a publisher?

18 A It would be a good thing.

19 Q It would be a good thing.

20 So it's what BuzzFeed as a  
21 publisher is taking from its sales?

22 A Yes.

23 Q Okay. How do AdX's open auction  
24 take rates for BuzzFeed compare to other  
25 take rates in open auction take rates?

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2 MR. JUSTUS: Objection. Form.

3 A I don't want to comment on other  
4 publishers, but I think we know, like, if  
5 we read the trades, that's what we assume.

6 Q And so for the same reason --

7 you know, you might not want to answer this  
8 question, that's totally fine.

9 Are you aware of any publishers  
10 who have switched from using Google Ad  
11 Manager to using a different publisher ad  
12 server?

13 A I'm not -- I don't know who  
14 switched, yeah.

15 Q How would you characterize  
16 Google Ad Manager?

17 MR. JUSTUS: Objection. Form.

18 A For BuzzFeed, Inc., it is our --  
19 our ad serving tool provides good ease of  
20 use, and people know how to use it.

21 Q Okay. I want to shift to talk  
22 about open auction versus direct.

23 Earlier in our conversation, you  
24 mentioned direct.

25 A Yep.

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2 Q Can you explain the differences?

3 A Direct sold is going to be our  
4 sales team out there talking to a client,  
5 getting RFPs and, you know, winning deals  
6 in a, what we'll say, compared to  
7 programmatic, a very manual way.

8 When they win those deals, it's  
9 going to include any number of products.  
10 And as I was kind of mentioning earlier in  
11 the call, those products are probably going  
12 to be some type of bundle of branded  
13 content display -- and I could clarify the  
14 difference between traditional display  
15 versus custom display -- and, you know,  
16 we're trying to package that up for an  
17 advertiser.

18 And the reality is, it's manual,  
19 but we're delivering you services in  
20 exchange for several products. Our --  
21 yeah.

22 And open auction, there are no  
23 sellers. There's no communication with us  
24 directly. We don't necessarily know who is  
25 buying until after the fact. And, you

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2 know, we see who -- you know, we see that  
3 later, and we sort of collect the check  
4 from any of our open auction partners.

5 Q Okay. What percentage of  
6 BuzzFeed's display revenue comes from open  
7 auction?

8 A I want to say █ to █ percent.

9 MR. JUSTUS: And I'm sorry to be  
10 late on this, but object to the form.

11 BY MR. GOLD:

12 Q What percentage of BuzzFeed's  
13 display revenue comes from direct display?

14 MR. JUSTUS: Objection. Form.

16 Q And the delta there, there's a  
17 gap. Where does the other percentage come  
18 from?

19 A Programmatic private  
20 marketplaces and programmatic guaranteed.  
21 If you want to get nuanced about it,  
22 programmatic guaranteed and private  
23 marketplaces do require a level of selling,  
24 but I don't call that direct sold.

25 So I would say there's three

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2 buckets. There's open auction, PMP/PG, and  
3 then direct.

4 Q And are you familiar with the  
5 term "CPM"?

6 A Yes.

7 Q What is it?

8 A Cost per million. So, you know,  
9 how many ads are you delivering -- how many  
10 ad impressions -- it's how we value and  
11 transact on ad impressions in the  
12 advertising community.

13 Q And so how do the CPMs compare  
14 for direct display and open auction?

15 A Yeah, if you want to use my  
16 three tiers, direct, PG/PMP and open  
17 auction, it's going to go from highest,  
18 then direct, to lowest in open auction.

19 Q So I get like the tier of  
20 highest to lowest. What would the PMP be  
21 for direct?

22 A Direct sold --

23 MR. JUSTUS: Objection to form.

24 THE WITNESS: Sorry, you're  
25 fine. I'll give you more pause.

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2           A        Direct sold is going to be,  
3 depending on what they're buying, anywhere  
4 from █ to maybe █, on average.

PG could be exactly the same.

6 PMP is probably going to be far  
7 more in that █ to █ range and potentially  
8 a little bit █ in some cases.

9                   And then open auction is going  
10 to be about [REDACTED] to [REDACTED].

11 Q All right. And I'm curious to  
12 talk to you about the demand varying  
13 between those buckets.

14 So how much demand would you say  
15 there is for direct display compared to how  
16 much demand is there for open auction?

17 MR. JUSTUS: Objection. Form.

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Q Okay.

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2 (Recess taken 2:04 p.m.)

3 (Resumed 2:14 p.m.)

4 THE VIDEOGRAPHER: The time is  
5 2:14 p.m., and we're back on the  
6 record.

7 EXAMINATION BY

8 MR. JUSTUS:

9 Q Okay. Mr. Blom, thanks again  
10 for sitting for a deposition today.

11 Do you understand that the rules  
12 from earlier still apply? In particular,  
13 you're required to tell the truth?

14 A Yes, I do.

15 Q Mr. Blom, are you aware that the  
16 DOJ conducted an investigation into  
17 Google's ad technology business?

18 A Yes.

19 Q Did you meet with the DOJ at any  
20 point regarding Google's ad technology  
21 business?

22 A Yes.

23 Q How many times?

24 A Twice.

25 Q So we'll talk about each of them

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2 hour?

3 A How advertising works, a lot of  
4 definition things. What is BuzzFeed's role  
5 in relation to Google? Some of the things  
6 that we covered today, although not as  
7 direct as things like would you switch ad  
8 servers?

9 More, you know, where -- you're  
10 asking about the first interview, and the  
11 first interview was not as specific.

12 Q Did the DOJ tell you anything  
13 about its investigation, its status or its  
14 goals or anything like that during that  
15 first meeting?

16 A Not necessarily.

17 Q Did the DOJ show you any  
18 documents in that first meeting?

19 A No.

20 Q Did you give the DOJ any  
21 documents in that first meeting?

22 A No.

23 Q What about the second meeting,  
24 when did that happen?

25 A My counsel may remember, but

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2 that was pretty recently. Earlier this  
3 year?

4 Q Okay. And was that in person or  
5 by video?

6 A By video.

7 Q And who was present at that  
8 meeting?

9 A Myself and my counsel, DOJ.  
10 Don't remember.

11 Q Do you recall --

12 A No.

13 Q And how long was that meeting?

14 A Again, maybe an hour, hour and a  
15 half.

16 Q And what did the DOJ ask you  
17 about in that meeting?

18 A Similar questions to the  
19 questions you heard today about switching,  
20 you know, would we switch? Have we thought  
21 about switching ad servers?

22 They asked about header bidding.

23 They asked about unified pricing rules.

24 And, yeah, it was a lot of the line of  
25 questioning that you heard this afternoon.

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2 Q What did they ask you about  
3 header bidding?

4 A They had asked us if we used it?  
5 Did we think it was a threat to Google's  
6 business? How did -- you know, do we  
7 implement it? Definition of it. Those  
8 things.

9 Q And what did you say about  
10 header bidding?

11 A My line on it is it's been  
12 around since we've been running  
13 programmatic. So it is a, I would say,  
14 necessary form of -- necessary form and  
15 tactic.

16 Google is a part of it, levels  
17 the playing field for us a little bit, and  
18 I think it -- some of the line of  
19 questioning was around do we think it's a  
20 threat to Google's business?

21 And I -- you know, I think I  
22 would say it's -- Google is doing fine with  
23 it. If they didn't have it, I'm sure it  
24 might be different, but I didn't feel  
25 strongly about how it's impacting Google's

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2 business because, again, I'm only speaking  
3 for my business as the publisher.

4 Q And what did they ask you about  
5 UPRs?

6 A They asked me about unified  
7 pricing rules. Do we use it? How do we  
8 think, you know, it's working behind the  
9 scenes, and did we speak favorably to it?

10 I had suggested -- sorry, that's  
11 what they asked.

12 Q And what did you say in  
13 response?

14 A I said that for our team to  
15 manually be changing bids all the time is a  
16 pretty laborious task. So my ad ops team  
17 and my programmatic technical account  
18 managers like using it.

19 How it works behind the scenes,  
20 I couldn't speak to.

21 Q So you liked the UPR  
22 functionality?

23 A Like?

24 MR. GOLD: Objection. Form.

25 BY MR. JUSTUS:

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2 Q Yeah, I'm sorry, Mr. Gold, I  
3 grew up in the Appalachians, so the accent  
4 comes out sometimes.

5 But are you in favor of the UPR  
6 functionality?

7 MR. GOLD: Objection.

8 A Yes, we are.

9 Q The DOJ didn't ask you anything  
10 about UPRs earlier today, did it?

11 MR. GOLD: Objection. Form.

12 A They did not.

13 Q Did the DOJ ask you anything  
14 about header bidding earlier today?

15 A They did not.

16 Q Other than you, Mr. Blom, are  
17 you aware of anyone else from BuzzFeed who  
18 met with the DOJ regarding Google's ad  
19 technology business?

20 A No, I am not.

21 Q Did you meet with anyone else  
22 regarding an investigation into Google's ad  
23 technology business?

24 A No, I have not.

25 Q So, Mr. Blom, understanding,

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2 BY MR. JUSTUS:

3 Q Mr. Blom, other than your  
4 lawyer, did you discuss your deposition  
5 today with anyone else?

6 A With some internal colleagues,  
7 but not about today, just about the  
8 deposition, in general.

9 Q What did you talk about,  
10 generally?

11 A In the past, we had talked about  
12 previous prep for things like if I'm asked  
13 about header bidding or unified pricing  
14 rules and just how -- yeah, as I mentioned,  
15 getting feedback from the teams as to how  
16 they are using certain things, those are  
17 the kind of conversations that I had.

18 But not in prep for today. I'm  
19 actually dating myself and just talking  
20 about in prep for any of the DOJ  
21 conversations I've had.

22 Q So, Mr. Blom, is your positive  
23 opinion concerning Google's unified  
24 processing rules informed by what you  
25 understand the views are of other folks at

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2 BuzzFeed?

3 MR. GOLD: Objection. Form.

4 A Yeah, it's informed by my team  
5 that's using them, rather than myself who  
6 is not in the tool every day.

7 Q But for the avoidance of doubt,  
8 especially given the objection, Mr. Blom,  
9 it's your view that Google's unified  
10 processing rules are a positive thing?

11 A Yes.

12 MR. GOLD: Objection. Form.

13 A Yes, it's my view.

14 MR. JUSTUS: Matthew, what's  
15 your objection specifically?

16 MR. GOLD: Leading. Ambiguous.  
17 Compound.

18 BY MR. JUSTUS:

19 Q Mr. Blom, is it your view that  
20 Google's unified processing rules make  
21 Google's ad technology work better?

22 MR. GOLD: Objection. Form.

23 BY MR. JUSTUS:

24 Q You can answer.

25 A Yes, they do.

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2 Does programmatic include all  
3 indirectly sold display advertising?

4 A My definition of programmatic  
5 would be anything that is open auction,  
6 PMP/PG or outside vendors, which might not  
7 necessarily compete in the open auction,  
8 like a Taboola or an Outbrain is something  
9 that's going to live outside, but I would  
10 view that as within our programmatic stack.

11 Q What ad formats do you include  
12 within programmatic advertising?

13 A Traditional display, 300 by 250,  
14 and all of the ad formats that are standard  
15 IAB units.

16 Q And what do those include?

17 A All the sizes you want?

18 Q Would you also include --  
19 withdrawn.

20 So just so we're speaking  
21 clearly, when I refer to "BuzzFeed" in  
22 questions to come, do you understand  
23 BuzzFeed -- let me withdraw that question.

24 BuzzFeed operates several  
25 owned-and-operated properties, correct?

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2 A Correct.

3 Q What are they?

4 A Huffington Post, BuzzFeed.com,  
5 Tasty.co. and Complex.com.

6 Q So when I refer to "BuzzFeed,"  
7 will you interpret BuzzFeed to include all  
8 of those properties?

9 A I would.

10 Q Does BuzzFeed distribute content  
11 to users through desktop versions of its  
12 websites?

13 A Yes.

14 Q And does BuzzFeed distribute  
15 content to users through mobile websites?

16 A Yes, we do.

17 Q Does BuzzFeed distribute content  
18 to users through mobile apps?

19 A Yes.

20 Q What mobile apps?

21 A BuzzFeed -- we refer to BuzzFeed  
22 as the "big red brand" just to delineate.

23 So BuzzFeed and Tasty would be  
24 the two apps that we have currently.

25 We have had many apps in the

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2 past -- sorry, HuffPost app as well -- but  
3 those would be the three that we have at  
4 the moment.

5 Q Does BuzzFeed distribute content  
6 to users any other way?

7 A Social media and YouTube.

8 Q Does BuzzFeed sell desktop web  
9 ad inventory on its properties?

10 A Yes, we do.

11 Q Does BuzzFeed sell mobile web ad  
12 inventory on its properties?

13 A Yes, we do.

14 Q Does BuzzFeed sell in-app ad  
15 inventory on its properties?

16 A Yes, we do.

17 Q When I say, "environment," I'm  
18 referring to desktop web ads, mobile web  
19 ads and in-app ads.

20 A Uh-huh.

21 Q Given that definition, do  
22 advertisers often run ads on different  
23 BuzzFeed environments at the same time?

24 MR. GOLD: Objection. Form.

25 A Yes, they do.

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2 Q Do advertisers move their  
3 spending toward the environment providing  
4 the best rate of return?

5 MR. GOLD: Objection. Form.

6 A Yes, they'll optimize, and we  
7 will optimize for them. And some  
8 advertisers don't care about environment,  
9 they care about results, and so we'll  
10 optimize toward a result or we can optimize  
11 toward environment.

12 Q What do advertisers most often  
13 care about when it comes to advertising  
14 environment?

15 A Brand safety, quality, user and  
16 audience.

17 So if I could just track that  
18 back into all three. Brand safety is table  
19 stakes. The audience that they're, you  
20 know, trying to reach with their ad is  
21 going to be the primary objective. And  
22 then whatever return on ad spend or sort of  
23 desired result they want is going to be  
24 sort of the most important thing.

25 But that middle piece, the

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2 audience that they're reaching, is usually  
3 the most important.

4 Q I'm sorry, Mr. Blom, I'm  
5 unclear. What did you say was the most  
6 important thing?

7 A Audience delivery.

8 Q Is that the same thing as return  
9 on ad spend, or no?

10 A No. Audience delivery is -- you  
11 know, we're talking about display  
12 advertising, and, you know, you're going to  
13 want to make sure that your ad reached the  
14 intended audience.

15 Only a small percentage of those  
16 that you reach are going to complete the  
17 desired outcome you want. Maybe that's  
18 clicking off the ad to their website and  
19 buying something. That's great and  
20 important, but that's not the, you know,  
21 primary result of every single ad that's  
22 served.

23 So if you think about the  
24 intention of the ad that is served, the  
25 most important thing is reaching the

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2 audience.

3 Q And how does return on ad spend  
4 factor in?

5 A It definitely factors in. It  
6 may be the reason that you, you know, win  
7 another campaign or win another deal.

8 It's important -- you know,  
9 return on ad spend is going to factor in  
10 how much did this cost overall and am I  
11 getting what I wanted from the publisher or  
12 from the like ad targeting and unit that I  
13 delivered?

14 Return on ad spend is extremely  
15 important. It's just when I say the most  
16 important thing is audience, I can  
17 deliver -- everyone knows that display  
18 advertising can deliver on audience every  
19 time. Not everyone knows it can deliver on  
20 return on ad spend every time.

21 Q If an advertiser is experiencing  
22 on one environment that is providing a  
23 relatively higher return on ad spend than  
24 another environment, will the advertiser do  
25 any sort of shifting?

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2 A Yeah, they will.

3 MR. GOLD: Objection. Form.

4 A Yes, they will.

5 Q How -- what kind of shifting  
6 will they do?

7 A We may take budget from, you  
8 know, entirely mobile and move it to  
9 desktop if they're seeing that desktop  
10 click-out rates are working more, if you  
11 will.

12 You know, we're flexible to what  
13 the advertiser needs and to what is getting  
14 the advertiser the most results. We do  
15 want them to run everywhere.

16 But, you know, in addition to  
17 environment and, you know, the definitions  
18 of mobile or desktop or mobile web, you  
19 also have, are you running this ad across  
20 HuffPost or Tasty or BuzzFeed? Which, as  
21 you can imagine, you know, you're going to  
22 get different audiences when you reach  
23 those different brands.

24 Q Does BuzzFeed do anything to  
25 encourage advertisers to move in the

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2 A So shifting -- to clarify,  
3 you're asking -- are we talking about to  
4 shift more money from desktop to mobile web  
5 or to --

6 Q Correct.

7 A Yes. You know, a little less  
8 so. I think when we're pitching  
9 advertisers, a lot of our traffic is going  
10 to be mobile, mobile web and apps. So  
11 we're kind of anchoring the fact that we  
12 want them to sell -- that we want them to  
13 come in and buy mobile.

14 But if an advertiser only wants  
15 desktop, we're happy to do that.

16 Q What ad formats can advertisers  
17 purchase on BuzzFeed?

18 A I would clarify -- I would  
19 describe them as standard IAP units, i.e.,  
20 a 300-by-250 ad.

21 And then the other bucket of ads  
22 are going to be custom display and then  
23 native ads.

24 [REDACTED]

[REDACTED]

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2 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10 And so we have several units  
11 like that, and we're constantly iterating  
12 and testing like what are custom units that  
13 would get the ad market excited.

14 And then native units, as I  
15 mentioned, you know, when we make branded  
16 content, a native unit would look something  
17 like a paid placement for a branded piece  
18 of content or a branded video that we have.

19 So standard display -- within  
20 the standard display bucket, I also should  
21 say we have standard video products as  
22 well, so pre-roll ads, right?

23 All of these things you can buy  
24 several different ways. We have custom  
25 units and then we have native units.

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2 Q Do individual advertisers on --  
3 sorry, Mr. Blom. Let me restart my  
4 question.

5 Do individual advertisers on  
6 BuzzFeed purchase ads in multiple formats  
7 or a single format?

8 MR. GOLD: Objection. Form.

9 A Usually, multiple formats.

10 Q And how do advertisers on  
11 BuzzFeed shift their spending between  
12 formats based on the rate of return from  
13 their advertising spending?

14 MR. GOLD: Objection. Form.

15 A From a direct seller  
16 perspective, it would be a conversation of  
17 mid campaign performance, or something like  
18 that.

19 Q Can you expand on that a little  
20 bit?

21 A Yeah. So if we have sold  
22 advertising across many formats to a  
23 client, you know, we would have something  
24 like weekly check-ins with them. We'd be  
25 sharing, you know, weekly campaign reports

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2 and making recommendations that maybe they  
3 should shift formats and, you know, having  
4 that conversation with the client about,  
5 you know, do you want to put more into the  
6 spotlight unit versus the display -- the  
7 standard display unit? You know, you have  
8 the capability to do those things.

9 Q Do -- how frequently will  
10 advertisers switch between, let's say, a  
11 standard static ad and a video standard ad?

12 A They would have to start -- I  
13 don't think someone buying standard static  
14 ads are going to switch to video if they  
15 didn't start with video.

16 So just speaking to the ad  
17 buying community a little bit more, there's  
18 typically online video buyers that might  
19 act and be a different team than the  
20 display media buyers. So we have to think  
21 about who we're talking to.

22 So if someone who was running  
23 display ads, I don't think they're going to  
24 move to video ads unless they're sitting  
25 there with the video that they need.

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2 to our sellers and tell them like, Hey, let  
3 the clients know that we have this new  
4 capability.

5 So there is a go-to market  
6 around the advertising units that we have.

7 Q Through what transaction types  
8 does BuzzFeed sell ad inventory?

9 I know you talked a little about  
10 this earlier, so I'm sorry to retread  
11 ground.

12 A That's fine.

13 My tiers would be -- and this is  
14 directly all waterfall -- direct  
15 transaction type, so IO basis, manual;  
16 programmatic guarantee; private  
17 marketplaces; and then open auction.

18 Q Do advertisers on BuzzFeed buy  
19 through multiple transaction types?

20 A They might.

21 MR. GOLD: Objection. Form.

22 BY MR. JUSTUS:

23 Q How often do they?

24 A It depends on the advertiser and  
25 how big the advertiser is.

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2 You know, if you're speaking for  
3 a really big advertiser, like PMG, they  
4 might not even -- they're buying through  
5 multiple transaction types, and I don't  
6 even think they necessarily know how much  
7 they're running on open auction versus  
8 direct versus something else, so -- but a  
9 smaller advertiser may not be, may not be  
10 running through all of them.

11 But I would say -- I don't know  
12 the percentage of how often some of them  
13 would be running multiple, but -- yeah, I  
14 can't give that percentage.

15 Q How does return on investment  
16 impact advertisers' transaction type  
17 purchases?

18 A I think it's important. I think  
19 advertisers are constantly looking at their  
20 budget, and return on investment is, you  
21 know, increasingly more important than  
22 something like brand awareness.

23 And just so you know how I'm  
24 defining "return on investment" would be,  
25 okay, did I truly net -- you know, I gave

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2 BuzzFeed \$1, did I make \$1.50, versus the  
3 traditional display advertising world of I  
4 gave BuzzFeed many dollars and I got this  
5 brand study back that told me it did well.

6 You know, both of those are a  
7 version of return on investment, but former  
8 that, you know, give \$1, get \$1.50, that's  
9 more realtime and more direct than what  
10 would be the brand study where you're sort  
11 of saying like, we commissioned a research  
12 study to tell us that there was a return on  
13 investment here.

14 Q So what happens if an advertiser  
15 realizes that a particular transaction type  
16 is giving a better return on investment?

17 MR. GOLD: Objection. Form.

18 A They would switch their budget  
19 to that transaction type.

20 Q Mr. Blom, we're going to do  
21 something that we have not yet done today.  
22 We're going to look at a document.

23 MR. JUSTUS: Can we bring up  
24 Tab 5?

25 MR. ARTEAGA: Ken, I think there

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2 Q That's helpful.

3 So we can put this document  
4 aside.

5 MR. JUSTUS: Can we bring up  
6 Tab 6?

7 MR. GOLD: And if we could do  
8 the same thing with a PDF of the  
9 document?

10 (Exhibit 2, document entitled  
11 "The AdTech Monthly Update," Bates  
12 stamped BUZZ-LIT-001211 through 222,  
13 was remotely introduced and provided  
14 electronically to the reporter, as of  
15 this date.)

16 BY MR. JUSTUS:

17 Q Mr. Blom, I'm now showing you  
18 Blom Exhibit 2.

19 What is this document?

20 A This is an update from our  
21 AdTech team.

22 As I mentioned previously, our  
23 AdTech team is a division of our  
24 advertising that's going to focus on user  
25 behavior and the actual implementation of

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2 ads. And they sit within our tech team.

3 And then this e-mail is to dev  
4 team and ad stakeholders, which I'm an ad  
5 stakeholder on this e-mail.

6 And it's a monthly update about  
7 all the activity and things that they are  
8 working on, optimizations to improve  
9 monetization or, as I mentioned, you know,  
10 we're always tinkering with custom units.  
11 You know, this may highlight -- here's a  
12 new feature to a custom unit we just tried.

13 Q Who is Bryan Harris?

14 A Bryan Harris is the head of our  
15 AdTech user experience group, and he sits  
16 on the tech team. He is a project --  
17 essentially, a product dev and project  
18 manager for the AdTech team.

19 Q Is Blom Exhibit 2 a true and  
20 accurate copy of the monthly AdTech update?

21 A Yes, it is.

22 Q And this was -- was this  
23 prepared in the ordinary course of  
24 business?

25 A Yes, and still is today.

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2 can deliver more?

3 Which is, we kind of created the  
4 Bright playlist here as a format that  
5 helped us to deliver more O&O video.

6 Q And is this talking about direct  
7 or indirectly sold ads?

8 A This is largely talking about  
9 direct sold ads.

10 Q Can we go to 1219?

11 And do you see -- can we --  
12 sorry, can you roll -- give me one second.

13 Can you roll down a little bit  
14 on that page?

15 There we go.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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A horizontal bar chart consisting of 20 solid black bars of varying lengths, arranged vertically from top to bottom. The bars are positioned against a white background with thin vertical gray grid lines corresponding to each bar's center.

Bar Index	Approximate Length (pixels)
1	980
2	950
3	980
4	200
5	980
6	920
7	980
8	200
9	980
10	980
11	980
12	980
13	980
14	980
15	980
16	980
17	980
18	980
19	980
20	980

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[REDACTED]

13 Q Thank you. We can pull that  
14 document down.

15 Mr. Blom, who are BuzzFeed's key  
16 competitors in the sale of advertising  
17 inventory?

18 A Peer sets that we would compare  
19 ourselves to could be a Vox, previously a  
20 Vice, you know, Bustle Media Digital Group.  
21 Those are going to be your like direct  
22 digital display peer set that we think  
23 about.

24 You can also think about your  
25 non-traditional digital, which is going to

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2 competing with Facebook because that would  
3 be a stretch of a goal that we would, you  
4 know, not be able to motivate teams on.

5 Q Well, why did BuzzFeed partner  
6 with Google's AdX AdExchange to sell  
7 programmatic ads in 2017?

8 A It just -- we -- we were late to  
9 running programmatic ads. We knew that  
10 Google's AdX was a source of demand and  
11 inventory and can get us up to speed as  
12 fast as humanly possible, while we also  
13 build out the rest of our tech stack.

14 So starting with Google AdX and  
15 then moving to the other players and  
16 partners to build out that competitive set  
17 and create our ad stack and, you know, to  
18 this day, we're constantly optimizing what  
19 that looks like.

20 Sorry if I'm not answering the  
21 question why, you know, it felt like a  
22 natural -- a natural best way to start  
23 getting into programmatic as that was new  
24 for us in 2017.

25 Q Was Google -- let me restart

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2 that question.

3                   Was BuzzFeed's launch of  
4 programmatic ads sales through AdX  
5 successful?

6 A       Yes, it was.

7 Q       Can you tell us about that  
8 success?

9 A       You know, I don't remember the  
10 numbers because it was a while ago, but we  
11 felt like launching programmatic, we had  
12 some attainable goals as to how much  
13 revenue we felt we were going to get from  
14 programmatic. And, you know, AdX being one  
15 of the partners and delivering demand with  
16 us, it helped us hit those goals.

17               Try to compare it to some of  
18 these other companies, like a Hearst or a  
19 Conde that's had programmatic stacks up for  
20 15, 20 years, and then here we are in 2017  
21 saying, We're going to start now, right?

22               These things get better over  
23 time. They don't start out extremely  
24 successful -- or I -- and then when I say,  
25 "extremely successful," it's not like, hey,

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2 if you turn on programmatic, in one month,  
3 you're going to have \$100 million. That's  
4 not what we set out to do. We set out to  
5 build incrementally.

6 And I think through AdX and just  
7 speaking of the success, I think we found  
8 that incremental growth.

9 MR. JUSTUS: Mr. Blom, if it's  
10 okay with you, we're going to take a  
11 short break. I've got some more  
12 questions, but I need to confer with  
13 my colleague.

14 THE WITNESS: Yeah, sure.

15 MR. JUSTUS: We'll be back in  
16 five.

17 THE VIDEOGRAPHER: The time is  
18 3:03 p.m., and we are going off the  
19 record.

20 (Recess taken 3:03 p.m.)

21 (Resumed 3:12 p.m.)

22 THE VIDEOGRAPHER: The time is  
23 3:13 p.m., and we're back on the  
24 record.

25 BY MR. JUSTUS:

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2 Q Mr. Blom, does BuzzFeed sell ads  
3 through exchanges other than Google's AdX  
4 AdExchange?

5 A Yes.

6 Q Roughly, how many ad exchanges  
7 does BuzzFeed sell ads through?

8 A 20 to 30.

9 Q Can we bring up Tab 23?

10 (Exhibit 3, ads.txt file, 8  
11 pages, was remotely introduced and  
12 provided electronically to the  
13 reporter, as of this date.)

14 MR. GOLD: One second. I'm just  
15 opening up Tab 23, if it's okay with  
16 you guys.

17 BY MR. JUSTUS:

18 Q So, Mr. Blom, I'm showing you  
19 what we'll mark as Blom Exhibit 3.

20 What is this document?

21 A Our ads.txt file.

22 Q What is that?

23 A It is where -- ads.txt allows  
24 you to see the exposure to, you know,  
25 anything that is happening within ad calls

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2 on a website.

3 Q Does this list ad tech products  
4 that sell BuzzFeed's inventory?

5 A Yes, it is.

6 Q And is this a true and accurate  
7 copy of BuzzFeed's ads.txt file?

8 A Yes.

9 Q And is this something that  
10 BuzzFeed prepares in the ordinary course of  
11 business?

12 A By "prepare," I mean anyone can  
13 access this file. So I don't think we  
14 actually prepare it, but this is -- yeah,  
15 this would be true and accurate  
16 information.

17 Q And this is created in the  
18 course of BuzzFeed's ordinary business,  
19 correct?

20 A Correct.

21 Q Do you see toward the top  
22 Magnite on here?

23 A Yeah.

24 Q Does that mean that BuzzFeed  
25 sells inventory through Magnite?

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2 A Yes.

3 Q I should ask, what is Magnite?

4 A A sell-side platform, similar to  
5 an AdX.

6 Q And do you see -- if you roll  
7 down, do you see PubMatic on here?

8 A Yes.

9 Q Does that mean that BuzzFeed  
10 sells inventory through PubMatic?

11 A Yes, we do.

12 Q What is PubMatic?

13 A Similar to Magnite, another ad  
14 exchange.

15 Q And then if you roll maybe back  
16 up, do you see Indexexchange?

17 A Yes.

18 Q And does that mean that BuzzFeed  
19 sells inventory through Indexexchange?

20 A Yes, we do.

21 Q What is Indexexchange?

22 A Similar to PubMatic and the  
23 others, and others, a sell-side platform.

24 Q And then do you see -- we're  
25 going to have to scroll and look through

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2 this -- do you see OpenX?

3 A Yes.

4 Q And so does that mean BuzzFeed  
5 sells inventory through OpenX?

6 A Yes, we do.

7 Q And what is OpenX?

8 A Another sell-side platform.

9 Q And are there -- are there  
10 dozens of other entities on this list  
11 through which BuzzFeed sells ad inventory?

12 MR. GOLD: Objection.

13 A Yes. Probably not as big as the  
14 ones that you're seeing up at the top here.  
15 And our relationships with them could ebb  
16 and flow.

17 And so there could be dozens  
18 more.

19 Q Is Amazon Publisher Services on  
20 here?

21 A They should be.

22 Q Can we roll up?

23 A It should be Amazon Tam.

24 There they are.

25 Q Is Amazon listed as "APS"?

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2 A Yes.

3 Q What is APS.

4 A Amazon Publisher Services.

5 Q Tell us about that. What does  
6 it do?

7 A So it would be similar to the  
8 Magnite and/or AdX Exchange, but it's  
9 Amazon's exchange.

10 And we are getting supply --  
11 sorry, we're getting demand, and we're  
12 offering supply to Amazon's exchange. And,  
13 basically, this is Amazon fulfilled  
14 inventory from their platform.

15 Q We can pull that document down.

16 MR. JUSTUS: Can we bring up  
17 Tab 3?

18 (Exhibit 4, Power Point  
19 presentation entitled "BuzzFeedInc  
20 Programmatic Capabilities," Bates  
21 stamped BUZZ-LIT-000272 through 342,  
22 was remotely introduced and provided  
23 electronically to the reporter, as of  
24 this date.)

25 BY MR. JUSTUS:

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2 thing that each of the SSPs do.

3 So, you know, as I kind of  
4 mentioned earlier, on the publisher side,  
5 I'm trying to be as friendly and open and  
6 available to whatever advertisers' needs  
7 are. And if that means needing to work  
8 with every SSP possible, we will do that.

9 Q Do SSPs sometimes market  
10 themselves as having access to unique  
11 demand?

12 MR. GOLD: Objection. Form and  
13 foundation.

14 A Yes, I believe they do.

15 Q You can answer.

16 A I believe they do. How they're  
17 winning clients over and -- I guess I can't  
18 speak to sort of exactly what they're  
19 saying to advertisers.

20 Q Do you believe that many SSPs  
21 market themselves in that way?

22 MR. GOLD: Objection. Form and  
23 foundation.

24 A I believe many would, in an  
25 effort to compete.

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2 Q Mr. Blom, what's a demand-side  
3 platform?

4 A DSP, demand-side platform, would  
5 be a platform that would help enable us.

6 So, I'm sorry, I'm blanking on  
7 who the DSPs are, but this is the buying  
8 exchange and where the advertisers would be  
9 buying. So like a Trade Desk.

10 Q Does BuzzFeed work directly with  
11 any DSPs?

12 A Yes, we do. Trade Desk is a big  
13 partner of ours.

14 Q How does BuzzFeed work with The  
15 Trade Desk?

16 A That deck that you saw, that  
17 go-to-market deck, that would be presented  
18 to The Trade Desk because that -- those are  
19 the people who are going to be making  
20 buying decisions, and we would want to make  
21 sure that they know every capability that  
22 we have.

23 And so we're selling to them as  
24 much as we can.

25 Q Are you familiar, Mr. Blom, with

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2 I look at my colleague -- I think we  
3 are finished for now.

4 THE WITNESS: Thank you.

5 MR. GOLD: And I think that's a  
6 natural time to take another break.

7 You want to take five minutes,  
8 Ken, to stretch your legs?

9 THE WITNESS: Sure. Thanks,  
10 all.

11 THE VIDEOGRAPHER: The time is  
12 3:32 p.m., and we are going off the  
13 record.

14 (Recess taken 3:32 p.m.)

15 (Resumed 3:43 p.m.)

16 THE VIDEOGRAPHER: The time is  
17 3:43 p.m., and we are back on the  
18 record.

19 CONTINUED EXAMINATION BY

20 MR. GOLD:

21 Q All right. Good to see you  
22 again, Mr. Blom.

23 Just now, Google's counsel asked  
24 you some questions about header bidding,  
25 right? And they were asking about the

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2 downsides of header bidding -- or potential  
3 downsides to header bidding.

4 What does BuzzFeed do to manage  
5 those potential downsides to header  
6 bidding?

7 A Yeah, the downsides cited were  
8 malware or latency.

9 That could be because of a  
10 particular partner that is bidding within  
11 the system, and we can identify that. Not  
12 everything is that easy to identify, but we  
13 would be able to identify things like, hey,  
14 we add this partner and now our latency has  
15 gone up. Is it the partner's problem?

16 And we would go talk to the  
17 partner.

18 So no, nothing programmatic.  
19 Our advertising is set it and forget it.  
20 You're constantly talking to your partners.  
21 You're making sure that they're not doing  
22 anything that you don't want them to be  
23 doing and, you know, we have a lot of  
24 checks and balances and teams that are  
25 looking into things like latency or things

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2 like, you know, how much malware we have on  
3 a site, something like that.

4 Q So it sounds like BuzzFeed is  
5 able to manage those potential downsides?

6 MR. JUSTUS: Objection. Form.

7 A Yes, we are.

8 Q Okay. I'm going to shift -- one  
9 second.

10 And why does BuzzFeed continue  
11 to use header bidding despite those  
12 potential downsides?

13 MR. JUSTUS: Objection. Form.

14 A Yeah, we believe that it is  
15 still -- the positives outweigh the  
16 negatives, which, you know, having more  
17 competition is something we believe helps  
18 us and helps our advertising revenue.

19 It could come with certain risk,  
20 and it does come with the fact that we need  
21 to employ people to manage certain things  
22 and keep an eye on stuff. But, you know,  
23 we view the competition and the even  
24 playing field that header bidding offers as  
25 a positive.

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2 an advertiser and say, I want to have a  
3 conversation with you about display ads and  
4 display ads only, they would probably not  
5 get the meeting.

6 You know, the advertisers want  
7 more. They want the bells and -- if they  
8 are going to have a direct relationship  
9 with an IO and guarantee more money, it's  
10 not going to be in just display.

11 And I guess to elaborate on  
12 that, we are trying to get advertisers to  
13 buy several products from us with our  
14 direct sold strategy, not just one. And in  
15 buying several products, we get a higher  
16 average deal size.

17 So, you know, our sellers are  
18 sort of instructed to sell more products,  
19 get the highest average deal size you  
20 possibly can, rather than a smaller deal  
21 that, you know, is not going to be as  
22 beneficial for us from a revenue  
23 perspective.

24 Q Fair to say it would not be easy  
25 to switch a large amount of advertising

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2 from open auction to direct display?

3 A It would not.

4 Q Why would it not be easy to  
5 switch a large amount of advertising from  
6 open auction to direct display?

7 A I believe open auction is  
8 different demand than what a direct sold  
9 sales team is going to go out there and  
10 get.

11 If you think about open auction,  
12 it's hundreds of advertisers spending  
13 anywhere from \$5 to \$100,000, right, in a  
14 given month or week, if you will.

15 So we would have to have a much  
16 bigger footprint in order to find all those  
17 clients. And then, even if I were to do  
18 that, am I really excited about the seller  
19 that sold the \$5 deal? No, I'm not. You  
20 know, and it would be a needle in the  
21 haystack to sort of kind of manage that  
22 process. It would take more time, more  
23 people, and more effort.

24 And then, I guess, furthermore,  
25 which is what I lead with, is I don't think

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2 the advertising community necessarily wants  
3 that.

4 Q Okay. I'm going to go to  
5 Google's Exhibit Number 2.

6 If you could pull that up,  
7 please.

8 It's Tab 6 as well.

9 Mr. Blom, can you see it?

10 A I don't have anything on my  
11 screen.

12 MR. GOLD: Jesus, are you the  
13 one pulling it up right now?

14 THE VIDEOGRAPHER: Yes, sir.

15 One moment.

16 MR. GOLD: All right.

17 BY MR. GOLD:

18 Q You're on the right page  
19 already.

20 So right now on the screen I see  
21 a document, page 9 out of 12 on the PDF.

22 MR. GOLD: And if you could  
23 scroll a little lower, so we can see  
24 the Bates number, Jesus?

25 So I see the Bates number is

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2 That said, manual process and  
3 it's been hard to know the incrementality  
4 of these price floors.

5 Q So before UPR, other publishers  
6 could have decided to use different price  
7 floors for different exchanges, right?

8 A Correct.

9 Q And before UPR, another  
10 publisher could have decided to set a  
11 higher price floor for AdX than for other  
12 exchanges, right?

13 A I believe so, yes.

14 Q And that would have potentially  
15 shifted transactions from AdX to other  
16 exchanges, right?

17 A Potentially, if that's how  
18 demand worked, yeah.

19 Q AdX is, by far, the largest  
20 exchange for BuzzFeed, right?

21 A Correct.

22 Q And AdX could be, by far, the  
23 largest exchange for other publishers, too,  
24 right?

25 A I wouldn't know, but yeah.

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2 Q And before UPR, other publishers  
3 could have concluded that they wanted to  
4 set different price floors for different  
5 exchanges to reduce their dependence on  
6 AdX, is that fair?

7 A Potentially.

8 Q And you've decided for  
9 BuzzFeed -- uniquely for BuzzFeed, that  
10 it's not worth the hassle to set different  
11 price floors for different exchanges,  
12 right?

13 A Correct. I think it would be in  
14 terms of, you know, environments that we  
15 spoke about and all of the brands that  
16 we're managing, we view UPR as a tool that  
17 allows us to create efficiency and will  
18 live with, you know, that price floor being  
19 set in that way.

20 MR. GOLD: Jesus, we can take  
21 down this document.

22 BY MR. GOLD:

23 Q But other publishers could have  
24 decided that for them, based on their  
25 specific circumstances, based on their

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2 find that it doesn't increase. Maybe  
3 demand is decreased or maybe there's other  
4 factors as to how that auction was going.

5 So I think, you know, you don't  
6 want to test too many things that could  
7 impact that revenue.

8 Q So, you know, you used the word  
9 "experiment."

10 Does UPR restrict a publisher  
11 from experimenting with price floors like  
12 that?

13 A I guess so, but you don't have  
14 to use UPR. So I think, in theory, using  
15 UPR would restrict that, yeah.

16 Q But it would be better for  
17 publishers to have the option to set  
18 different price floors?

19 A Yes, if, you know, you have the  
20 time and team and capability to do those  
21 things.

22 Q Okay. That makes sense. I'm  
23 going to shift gears away from UPR.

24 And I recall that -- or do you  
25 recall that counsel asked you some

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2 advertising result than you did from  
3 display. And so people would not want --  
4 advertisers would not want to treat those  
5 budgets equally because paid search  
6 historically performs better than display.

7 So you break out your budgets in  
8 that way.

9 Q You answered about paid search.  
10 I was thinking about social.

11 A Sorry, yeah, and I only say paid  
12 search because my Reprise -- just speaking  
13 to my Reprise days was mostly paid search,  
14 and that was the very beginning of like the  
15 first Facebook ad.

16 So you had a lot of advertisers  
17 who had no idea what the ROI of what those  
18 social ads could be.

19 If you'd like me to fast forward  
20 to today --

21 Q Sure.

22 A -- yeah, social budgets are  
23 still pretty broken out. They're different  
24 than display, and they're different than  
25 online video.

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2 Some advertisers have them sort  
3 of converged, and they do a good job  
4 optimizing across all of them and maybe one  
5 team buys all of them. It just depends on  
6 how big an advertiser you are, right?

7 So a lot of your  
8 direct-to-consumers brands aren't going to  
9 have three different people buying ads.  
10 They'll have one person.

11 Q Why are they separated, the  
12 social budgets, the display budgets, the  
13 teams?

14 MR. JUSTUS: Objection.

15 A Yeah, budgets will be  
16 separated -- you know, similar answer I  
17 gave to paid search, but effectiveness is  
18 going to be different from social to  
19 display.

20 And social over the years is  
21 more effective than display and, therefore,  
22 that's why you have these different  
23 budgets.

24 Q Okay.

25 MR. GOLD: Jesus, can we open up

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2 OpenX?

3 MR. JUSTUS: Objection. Form.

4 A Same. Don't know off the top of  
5 my head. If you're asking for a gut  
6 ballpark answer, they're going to be about  
7 5 percent, too.

8 Q Okay.

9 MR. GOLD: Jesus, could we  
10 scroll down on the document?

11 BY MR. GOLD:

12 Q I see another that says:  
13 "Colossus."

14 Do you see that, Mr. Blom?

15 A Yes.

16 Q Could you ballpark the --  
17 BuzzFeed's programmatic display revenue  
18 from Colossus?

19 MR. JUSTUS: Objection. Form.

20 A I'm just going to keep caveating  
21 the same, going off the top of my head, my  
22 gut reaction would be 1 to 2 percent.

23 Q 1 to 2 percent.

24 On the bottom, I see Ozone.

25 A Yeah.

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2 would you expect advertisers to look for  
3 other websites to advertise on?

4 MR. GOLD: Objection. Form.

5 A I think they would. I mean, we  
6 didn't see this with price of advertising,  
7 but we saw it with ATT and effectiveness of  
8 advertising, and I think advertisers did  
9 look other places.

10 I don't think they looked to  
11 websites. I think they looked to places  
12 like TikTok.

13 So we saw your question play out  
14 recently, and it -- yeah, it doesn't mean  
15 if something happens on Facebook, do  
16 advertisers -- do websites benefit, because  
17 there is the looming TikTok of it all.

18 Q Yeah. So let me ask you a  
19 question.

20 If the rate of return for  
21 advertising on Facebook went down and open  
22 websites went up, would you expect  
23 advertisers to move advertising toward  
24 open-web websites?

25 MR. GOLD: Objection. Form.

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2 A Yes, especially if you're saying  
3 that the rate of return has gone up for  
4 some reason compared to social.

5 Q And if the rate of return for  
6 direct sold advertising goes up relative to  
7 open auctions, would you expect advertisers  
8 to move toward direct purchases?

9 MR. GOLD: Objection. Form.

10 A I'll answer that with a maybe.  
11 I think advertisers, even if -- you know,  
12 the classic saying is, We've got a better  
13 mousetrap and we will get you better  
14 results.

15 Advertisers like what's easy.  
16 And they -- probably, many would still  
17 continue to buy in the open auction because  
18 that's easy. Whereas I may be saying, hey,  
19 buy with us direct over here, I'm going to  
20 get you better results, it sounds like more  
21 work, so they won't do it.

22 Q Some would?

23 A Some would --

24 MR. GOLD: Objection. Form.

25 A -- and I think some would not.